

Senate File 2337 - Reprinted

SENATE FILE _____
BY COMMITTEE ON TRANSPORTATION
(SUCCESSOR TO SSB 3234)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing prelicensing and continuing education
2 requirements for used motor vehicle dealers.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 5751SV 81
5 dea/je/5

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1 1 Section 1. Section 322.4, Code 2005, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 8A. If the applicant is applying for a
1 4 used motor vehicle dealer license, certification that the
1 5 applicant has met the educational requirements for licensure
1 6 under section 322.7A. The certification may be transmitted to
1 7 the department by the education provider in electronic format.
1 8 Sec. 2. Section 322.7, subsection 4, Code 2005, is amended
1 9 to read as follows:
1 10 4. The motor vehicle dealer license provided for in this
1 11 chapter shall be renewed upon application in the form and
1 12 content prescribed by the department and upon payment of the
1 13 required fee. A used motor vehicle dealer license shall not
1 14 be renewed for an applicant who is subject to continuing
1 15 education requirements until the licensee certifies completion
1 16 of the educational requirements for license renewal under
1 17 section 322.7A. The certification may be transmitted to the
1 18 department by the education provider in electronic format. A
1 19 licensee shall have the month of expiration and the month
1 20 after the month of expiration to renew the license. A person
1 21 who fails to renew a license by the end of this time period
1 22 and desires to hold a license shall file a new license
1 23 application and pay the required fee.
1 24 Sec. 3. NEW SECTION. 322.7A USED MOTOR VEHICLE DEALER
1 25 EDUCATION PROGRAM.
1 26 1. An applicant for a license as a used motor vehicle
1 27 dealer shall complete a minimum of eight hours of prelicensing
1 28 education program courses pursuant to this section prior to
1 29 submitting an application to the department.
1 30 2. A person seeking renewal of a used motor vehicle dealer
1 31 license shall complete a minimum of five hours of continuing
1 32 education program courses over a two-year period pursuant to
1 33 this section prior to submitting an application for license
1 34 renewal. However, an applicant for renewal of a used motor
1 35 vehicle dealer license who has met the prelicensing education
2 1 requirement under subsection 1 within the preceding twelve
2 2 months is exempt from the continuing education requirement for
2 3 license renewal.
2 4 3. To meet the requirements of this section, at least one
2 5 individual who is associated with the used motor vehicle
2 6 dealer as an owner, principal, corporate officer, director, or
2 7 member or partner of a limited liability company or limited
2 8 liability partnership shall complete the education program
2 9 courses.
2 10 4. The Iowa independent auto dealers association, in
2 11 consultation with the state department of transportation, the
2 12 department of education, the attorney general, and the Iowa
2 13 association of community college trustees, shall develop the
2 14 prelicensing and continuing education course curricula for the
2 15 used motor vehicle dealer education program, which shall
2 16 include but not be limited to examination of federal and state
2 17 laws applicable to the motor vehicle industry and federal,
2 18 state, and local regulations pertaining to used motor vehicle

2 19 dealers. The education program courses shall be provided by
2 20 community colleges as defined in section 260C.2. A community
2 21 college may charge an applicant a reasonable fee of not more
2 22 than two hundred dollars for the prelicensing education course
2 23 and not more than one hundred fifty dollars for the continuing
2 24 education course.

2 25 5. The provisions of this section apply to all used motor
2 26 vehicle dealers, including but not limited to individuals,
2 27 corporations, and partnerships, except for the following:

2 28 a. Motor vehicle rental companies having a national
2 29 franchise.

2 30 b. National motor vehicle auction companies.

2 31 c. Wholesale dealer-only auction companies.

2 32 d. Used car dealerships owned by a franchise motor vehicle
2 33 dealer.

2 34 e. Banks, credit unions, and savings and loan
2 35 associations.

3 1 6. Each community college providing used motor vehicle
3 2 dealer education program courses shall transmit a report on
3 3 the program annually by December 31 to the director of
3 4 transportation, the director of the department of education,
3 5 the attorney general, and the president of the Iowa
3 6 association of community college trustees.

3 7 Sec. 4. USED MOTOR VEHICLE DEALER EDUCATION PROGRAM ==
3 8 NOTICE. The state department of transportation shall provide
3 9 reasonable notice to current used motor vehicle dealer
3 10 licensees of the need to meet continuing education
3 11 requirements as a condition for future license renewal.

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